



Department of Justice

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Western District of Kentucky

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**PRESIDENT OF PREFERRED TITLE, INC. INDICTED FOR SEVEN COUNTS OF
WIRE FRAUD**

-- Diverted over \$1.5 Million Designated for Mortgage Closings

LOUISVILLE, KY - A federal grand jury in Louisville returned an indictment on July 9, 2007, against **Nancy Netherton**, age 49, of Louisville, Kentucky, in Jefferson County, on seven counts of wire fraud, U.S. Attorney David L. Huber of the Western District of Kentucky announced today.

The Indictment alleges that between August 1, 2002 and August 1, 2004, Netherton, the president of Preferred Title Inc, diverted funds belonging to customers of Commonwealth Land Title Insurance Company that were wired to Preferred's escrow account and intended for use in real estate closings with Commonwealth. As president of Preferred, she was also the agent for Commonwealth. Netherton diverted such funds into bank accounts over which she had control and then used these diverted funds for her personal benefit and for purposes other than the closing for which the funds were wired to Preferred's escrow account. To further her scheme to defraud, Netherton caused fraudulent HUD-1 statements to be transmitted, that falsely reported that the proceeds of real estate closings had been used to satisfy various lien holder's interests, when, in fact, such proceeds had been used for personal purposes or to pay off overdue mortgage liens that were delinquent as a consequence of Netherton's fraudulent scheme. In all, Netherton illegally diverted over \$1.5 million.

In the event of a conviction, the maximum potential penalties are not more than twenty years imprisonment, a \$250,000 fine, and supervised release for a period of three years.

The case is being prosecuted by Assistant United States Attorney Ann Claire Phillips, and it was investigated by the Federal Bureau of Investigation.

Netherton is scheduled to appear for arraignment before the United States Magistrate Judge on September 18, 2007 at 9:30 a.m., in Louisville, Kentucky.

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The indictment of a person by a Grand Jury is an accusation only and that person is presumed innocent until and unless proven guilty.

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